

**THE UNITED STATES DISTRICT COURT**  
**FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO.</b> _____
<b>v.</b>	<b>:</b>	<b>DATE FILED:</b> _____
<b>BARTHOLOMEW IACONO</b>	<b>:</b>	<b>VIOLATIONS:</b>
<b>REGINA IACONO-DOSTILLIO</b>	<b>:</b>	<b>18 U.S.C. § 371 (conspiracy to defraud the</b>
	<b>:</b>	<b>United States - 1 count)</b>
	<b>:</b>	<b>26 U.S.C. § 7206(2) (aiding and assisting</b>
	<b>:</b>	<b>the filing of false tax returns - 2 counts)</b>

**I N F O R M A T I O N**

**COUNT ONE**

**THE UNITED STATES ATTORNEY CHARGES THAT:**

At all time relevant to this information:

**Gentile's Tax Service**

1. Gentile's Tax Service was a business located at 2800 South 16<sup>th</sup> Street, Philadelphia, Pennsylvania, that provided tax return preparation services to clients for a fee.
2. Defendant BARTHOLOMEW IACONO was an owner of Gentile's Tax Service, and provided tax return preparation services to its clients.
3. Defendant REGINA IACONO-DOSTILLIO represented herself as an owner of Gentile's Tax Service and provided tax return preparation services to its clients.
4. Gentile's Tax Service prepared and assisted in the preparation of U.S. Individual Income Tax Returns, Form 1040, including Schedule A - Itemized Deductions and Schedule C - Profit or Loss from Business forms, for tax years 2003, 2004 and 2005, inclusive.

**The April 12, 2005 Undercover Operation**

5. On April 12, 2005, a special agent of the Criminal Investigative Division

of the Internal Revenue Service (“IRS”) of the United States Treasury, who unbeknownst to the defendants was acting in an undercover capacity posing as an individual taxpayer (“the UCA”), requested Gentile’s Tax Service to prepare his federal income tax return for tax year 2004.

6. On April 12, 2005, the UCA met with defendant BARTHOLOMEW IACONO in his business office at 2800 South 16<sup>th</sup> Street, Philadelphia, Pennsylvania, and during the meeting, defendant BARTHOLOMEW IACONO prepared a U.S. Individual Income Tax Return, Form 1040, with a Schedule A, for the UCA.

7. On April 12, 2005, the UCA provided taxpayer information to defendant BARTHOLOMEW IACONO reflecting that the amount of federal income tax due and owing to the United States of America by the UCA for tax year 2004, if calculated in accordance with revenue laws, would have been \$10,719. The UCA also provided income tax withholding information to defendant BARTHOLOMEW IACONO reflecting that the UCA had paid \$10,206 in withholding taxes. Accordingly, the UCA’s federal income tax return for tax year 2004 should have reflected income tax due in the amount of \$513.

8. On April 12, 2005, defendant BARTHOLOMEW IACONO prepared a Schedule A form for the UCA for tax year 2004, which claimed a deduction in the amount of \$6,825 for charitable contributions, even though the UCA told BARTHOLOMEW IACONO that he had not made any charitable contributions during 2004, and the UCA provided no documents to support the deduction claimed by BARTHOLOMEW IACONO on the Schedule A form.

9. On April 12, 2005, defendant BARTHOLOMEW IACONO prepared a Schedule A form for the UCA for tax year 2004, which claimed a deduction of \$9,295 for unreimbursed employee expenses, even though the UCA told BARTHOLOMEW IACONO that he

had no un-reimbursed employee expenses during 2004 and provided no receipts to support the deduction claimed by BARTHOLOMEW IACONO on the Schedule A form.

10. On April 12, 2005, defendant BARTHOLOMEW IACONO prepared a U.S. Individual Income Tax Return for the UCA for tax year 2004, Form 1040 with a Schedule A, which stated that the UCA was due a refund of \$3,225.

11. While preparing the UCA's income tax return on April 12, 2005, defendant BARTHOLOMEW IACONO and the UCA discussed "magic pencils."

12. While preparing the UCA's income tax return on April 12, 2005, defendant BARTHOLOMEW IACONO ("BI") had the following conversation with the UCA:

UCA: What are you doing over here?

BI: Uniforms, shirts, uniforms, safety shoes.

UCA: Safety shoes? Do I got to give you receipts for this shit?

BI: If you got audited.

UCA: If I got audited?

BI: They got lost and you moved, you had a flood and stuff (unintelligible ("UI")).

UCA: Okay, yeah, yeah, yeah, the flood. I remember the flood, yeah.

BI: August 1<sup>st</sup> or 3<sup>rd</sup>?

UCA: The flood of August 1<sup>st</sup>, is that what it was? I have to remember that. What the hell are you writing over there with that little teeny point?

BI: Uniforms. I put safety shoes down, and there's rain and safety gear, etc., the water and soap, and all. With that kind of money, about \$1,822, you think?

UCA: Okay.

BI: Now you have work tools because if the guys lose their tools and all, you got to help them with tools – about \$2,155. Okay? Job related expenses. You probably have a cell phone, right, that they call you on and all that, right, you have a business phone?

UCA: That is a magic pencil!

13. On April 12, 2005, the UCA asked defendant BARTHOLOMEW

IACONO: “What am I going to do if I get audited? I ain’t got no receipts?” and IACONO responded: “Will you stop? You act like a little cry baby, God darn. A big guy like you comes in crying and crying.”

14 While preparing the UCA’s income tax return on April 12, 2005, defendant BARTHOLOMEW IACONO had the following conversation with the UCA:

BI: You didn’t go to school or anything, did you?

UCA: Why? You trying to say I ain’t educated?

BI: I didn’t say that. I asked you if you went to school. It’s a deduction. I try to get – it’s \$960 ...

UCA: Oh, wait a minute, listen to you. Did I go to school? You tell me if I went.

BI: I can’t tell you that. You have to tell me. Then I do the magic.

UCA: Oh yeah, what’s this? You told me so?

BI: No. I asked you and you told me and then I agreed with (UI). “I swear, your honor, I only did what he told to me to do and I told him ...”

15. While preparing the UCA’s federal income tax return on April 12, 2005, defendant BARTHOLOMEW IACONO had the following conversation with the UCA:

UCA: What would I have had to pay if I didn’t ....

BI: Just a straight form you mean?

UCA: Yeah, if I – you know, without all the stuff?

BI: You wouldn't have – I can give you that. You're single, \$4,850 and \$3,100. You would have been taxed (UI), taxed on \$40,000, ... \$40,900, you would have been taxed on \$55,900, ... \$55,900.

UCA: What are you laughing at?

BI: Because I know what you're going to owe. \$55,941. \$55,900, you would have to pay the government as a single, \$10,719, and you gave them \$10,206. You would have owed \$513.

UCA: I would have owed \$513?

BI: I just did it for you. That's going on a straight form.

UCA: And I got what, \$3,225?

BI: Right.

UCA: You're the man, you're the man!

16. On April 12, 2005, the UCA paid Gentile's Tax Service \$120 in cash for professional services rendered in the preparation of the UCA's federal income tax return for tax year 2004.

### **THE CONSPIRACY TO DEFRAUD**

17. Beginning in or about January 2003 and continuing through in or about April 2006, in the Eastern District of Pennsylvania and elsewhere, the defendants

### **BARTHOLOMEW IACONO, and REGINA IACONO-DOSTILLIO**

conspired and agreed, together and with other persons known and unknown, to defraud the United States by impeding, impairing, obstructing, and defeating the lawful governmental functions of the IRS of the United States Treasury Department in the ascertainment, computation,

assessment, and collection of income taxes due and owing to the United States from clients of Gentile's Tax Service.

### **MANNER AND MEANS**

It was part of the conspiracy to defraud that:

18. Defendants BARTHOLOMEW IACONO and REGINA IACONO-DOSTILLIO prepared materially false and fraudulent Schedule A and Schedule C forms, when providing income tax return preparation services for clients of Gentile's Tax Service, by claiming deductions for charitable contributions, un-reimbursed employee business expenses, and other business expenses, when in fact, as the defendants well knew, the clients of Gentile's Tax Services had not incurred the deductions as claimed on the Schedule A and Schedule C forms.

19. Defendants BARTHOLOMEW IACONO and REGINA IACONO-DOSTILLIO prepared materially false and fraudulent Schedule A and Schedule C forms for clients of Gentile's Tax Service, by claiming deductions for charitable contributions, un-reimbursed employee business expenses, and other business expenses, even though, as the defendants well knew, the clients had no receipts or documentation to support the deductions as claimed on the Schedule A and Schedule C forms.

20. Defendants BARTHOLOMEW IACONO and REGINA IACONO-DOSTILLIO prepared materially false and fraudulent Form 1040 individual income tax returns for clients of Gentile's Tax Service, by claiming refunds were owed to the clients, when in fact, as the defendants well knew, the clients were not entitled to the amount of the claimed refund or had income taxes due and owing to the United States of America.

21. Defendants BARTHOLOMEW IACONO and REGINA IACONO-

DOSTILLIO used a stamp bearing the mark “Gentile Income Tax Service, 2800 So. 16<sup>th</sup> Street, 1<sup>st</sup> Flr., Philadelphia, PA, 19145, SS# XXX-XX-9117” when providing income tax return preparation services to clients of Gentile’s Tax Service.

22. Defendants BARTHOLOMEW IACONO and REGINA IACONO-DOSTILLIO signed and subscribed Form 1040 individual income tax returns prepared for clients of Gentile’s Tax Service, as paid tax preparers.

23. Defendants BARTHOLOMEW IACONO and REGINA IACONO-DOSTILLIO accepted cash payments from clients of Gentile’s Tax Service in payment of fees owed to Gentile’s Tax Service for professional income tax return preparation services.

24. Defendants BARTHOLOMEW IACONO and REGINA IACONO-DOSTILLIO treated income derived from their operation of Gentile’s Tax Service as “family money.”

### **OVERT ACTS**

In furtherance of the conspiracy and to accomplish its objects, the defendants committed the following overt acts, among others, in the Eastern District of Pennsylvania, namely, the preparation of materially false and fraudulent U.S. Individual Income Tax Returns, Form 1040 with supporting schedules, for the clients of Gentile’s Tax Service described in the following table:

OVERT ACT	DATE	DEFENDANT	TAXPAYER	TAX YEAR	TAX PER RETURN PREPARED BY GENTILE'S TAX SERVICE	TAX PER EXAMINATION OR AMENDED RETURN	TAX LOSS
1	4/12/05	Bartholomew Iacono	UCA	2004	\$6,981.00	\$10,719.00	\$3,738.00
2	3/23/06	Bartholomew Iacono	UCA	2005	8,371.00	11,584.00	3,213.00
3	3/12/04	Bartholomew Iacono	xxx-xx-3198	2003	4,061.00	6,971.00	2,910.00
4	3/9/05	Bartholomew Iacono	xxx-xx-3198	2004	3,004.00	5,876.00	2,872.00
5	2/20/04	Regina Iacono-Dostillio	xxx-xx-7903	2003	3,654.00	6,586.00	2,932.00
6	2/17/06	Regina Iacono-Dostillio	xxx-xx-7903	2005	3,956.00	7,111.00	3,155.00
7	3/10/04	Bartholomew Iacono	xxx-xx-4537	2003	4,511.00	7,344.00	2,833.00
8	2/24/04	Regina Iacono-Dostillio	xxx-xx-6876	2003	10,818.00	15,411.00	4,593.00
9	2/24/05	Regina Iacono-Dostillio	xxx-xx-4315	2004	6,455.00	9,905.00	3,450.00
10	3/28/04	Regina Iacono-Dostillio	xxx-xx-5420	2003	12,289.00	15,649.00	3,360.00
11	2/7/05	Bartholomew Iacono	xxx-xx-7854	2004	7,036.00	11,149.00	4,113.00
12	4/15/05	Regina Iacono-Dostillio	xxx-xx-6750	2004	2,352.00	3,589.00	1,237.00
13	2/13/04	Regina Iacono-Dostillio	xxx-xx-0971	2003	4,554.00	7,362.00	2,808.00
14	2/28/04	Regina Iacono-Dostillio	xxx-xx-7587	2003	4,371.00	6,864.00	2,493.00
15	4/5/05	Regina Iacono-Dostillio	xxx-xx-6579	2004	7,276.00	9,901.00	2,625.00
16	4/15/05	Bartholomew Iacono	xxx-xx-4851	2004	2,896.00	4,419.00	1,523.00
17	2/6/04	Regina Iacono-Dostillio	xxx-xx-5831	2003	881.00	3,039.00	2,158.00
18	2/4/05	Regina Iacono-Dostillio	xxx-xx-5831	2004	2,039.00	4,402.00	2,363.00
19	3/27/04	Bartholomew Iacono	xxx-xx-5293	2003	17,297.00	24,218.00	6,921.00
20	4/9/05	Regina Iacono-Dostillio	xxx-xx-5293	2004	15,213.00	22,019.00	6,806.00
21	2/4/05	Bartholomew Iacono	xxx-xx-5614	2004	3,069.00	5,349.00	2,280.00
22	3/20/04	Bartholomew Iacono	xxx-xx-3667	2003	10,162.00	13,015.00	2,853.00
23	7/23/03	Bartholomew Iacono	xxx-xx-4895	2002	5,297.00	9,301.00	4,004.00
24	3/10/04	Regina Iacono-Dostillio	xxx-xx-4895	2003	9,447.00	13,153.00	3,706.00
25	3/2/05	Regina Iacono-Dostillio	xxx-xx-4895	2004	8,830.00	13,579.00	4,749.00
26	2/11/05	Regina Iacono-Dostillio	xxx-xx-2257	2004	8,601.00	12,152.00	3,551.00
27	2/10/06	Regina Iacono-Dostillio	xxx-xx-2257	2005	10,308.00	13,349.00	3,041.00
28	4/5/04	Regina Iacono-Dostillio	xxx-xx-8685	2003	5,693.00	12,809.00	7,116.00
29	3/28/05	Regina Iacono-Dostillio	xxx-xx-8685	2004	4,775.00	14,593.00	9,818.00
30	3/26/04	Regina Iacono-Dostillio	xxx-xx-9045	2003	1,522.00	3,516.00	1,994.00
31	2/26/05	Regina Iacono-Dostillio	xxx-xx-4642	2004	7,105.00	8,227.00	1,122.00
32	2/9/04	Regina Iacono-Dostillio	xxx-xx-2343	2003	9,872.00	11,856.00	1,984.00
33	2/8/05	Regina Iacono-Dostillio	xxx-xx-2343	2004	9,577.00	12,837.00	3,260.00
34	4/14/04	Regina Iacono-Dostillio	xxx-xx-1564	2003	14,674.00	19,670.00	4,996.00
35	2/26/05	Regina Iacono-Dostillio	xxx-xx-1564	2004	9,932.00	14,878.00	4,946.00
36	2/9/06	Regina Iacono-Dostillio	xxx-xx-1564	2005	7,316.00	9,398.00	2,082.00

All in violation of Title 18, United States Code, Section 371.

## **COUNT TWO**

### **THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 4 of Count One are incorporated here.
2. On or about February 7, 2005, in the Eastern District of Pennsylvania the defendant

### **BARTHOLOMEW IACONO**

willfully aided and assisted in, and advised the preparation and presentation to the IRS of a U.S. Individual Income Tax Return, IRS Form 1040 with Schedule A attached, of JC, a taxpayer known to the United States Attorney, for the calendar year 2004, which was false and fraudulent as to a material matter, in that: (a) Schedule A, Line 18, stated that the taxpayer was entitled to claim a deduction for Gifts to Charity in the amount of \$8,205, when, as the defendant well knew, the taxpayer was not entitled to claim the deduction; (b) Schedule A, Line 20, stated that the taxpayer was entitled to claim a deduction for unreimbursed employee expenses in the amount of \$9,671, when, as the defendant well knew, the taxpayer was not entitled to claim the deduction; and (c) Form 1040, Line 71 stated the taxpayer was entitled to a refund of \$3,327, when, as the defendant well knew, the taxpayer had income taxes due and owing in the amount of \$786.

In violation of Title 26, United States Code, Section 7206(2).

**COUNT THREE**

**THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 4 of Count One are incorporated here.
2. On or about March 28, 2005, in the Eastern District of Pennsylvania the defendant

**REGINA IACONO-DOSTILLIO**

willfully aided and assisted in, and advised the preparation and presentation to the IRS of a U.S. Individual Income Tax Return, IRS Form 1040, with Schedule A and Schedule C attached, of DR and JR, taxpayers known to the United States Attorney, for calender year 2004, which was false and fraudulent as to a material matter, in that: (a) Schedule A, Line 15, stated that the taxpayers were entitled to claim a deduction for Gifts to Charity in the amount of \$6,812, when, as the defendant well knew, the taxpayers were not entitled to claim the deduction; (b) Schedule C, Line 28, stated that the taxpayers were entitled to claim business expense deductions in the total amount of \$13,500, when, as the defendant well knew, the taxpayers were not entitled to claim any business expense deduction; and (c) Form 1040, Line 71 stated that the taxpayers were entitled to a refund of \$8,012, when, as the defendant well knew, the taxpayers had income taxes due and owing in the amount of \$1,806.

In violation of Title 26, United States Code, Section 7206(2).

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**PATRICK L. MEEHAN**  
**UNITED STATES ATTORNEY**